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**ARIZONA CORPORATION COMMISSION**

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Chairman

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September 18, 2009

Mr. Creden Huber  
Chief Executive Officer  
Sulphur Springs Valley Electric Cooperative  
PO Box 820  
Willcox, AZ 85644

**Re: Request for information regarding SSVEC's decision to suspend its Residential Solar Program, SunWatts.**

Dear Mr. Huber:

It has come to my attention in recent days that the Sulphur Springs Valley Electric Cooperative ("SSVEC") has suspended its residential distributed solar program because strong customer interest in installing solar systems has resulted in full subscription to the program and because of an apparent lack of funding. As a strong proponent of distributed generation, I am very interested in making sure that Arizona's utility companies are responding to customer demand for solar energy. The decision to suspend SSVEC's solar program concerns me greatly, and I write to inquire about the Cooperative's plans to restore funding for its residential solar program.

Specifically, I am interested in learning the details behind the suspension of SSVEC's SunWatts program, the nature and number of systems installed this year over last, whether the suspension of the program reflects the intake of reservations, planned installations or actual installations, whether the strong customer response apparently being experienced in SSVEC's service territory suggests that SSVEC will meet its distributed generation requirement this year, and whether SSVEC intends to continue accepting reservations pending the availability of funds.

Additionally, I would like SSVEC to identify its intentions for its distributed generation program, namely whether the Cooperative plans to ask for additional funds for this year in an expeditious manner, request additional funds in its 2010 RES Implementation Plan to meet this need or address incentive levels that would allow program funds to stretch farther. Moreover, does this year's response suggest a need for other changes to the reservation system to prevent reservations from tying up funds for other projects?

Please provide the requested information as a supplement to SSVEC's 2010 RES Implementation plan and detail any immediate plans to address the funding shortfall in the Cooperative's SunWatts Program in a letter to my Office. I look forward to reviewing this information and any proposals you may outline.

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I consider this a matter of urgency and request your timely attention to it.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris Mayes", with a stylized, flowing script.

Kris Mayes  
Chairman

Cc: Commissioner Gary Pierce  
Commissioner Sandra Kennedy  
Commissioner Paul Newman  
Commissioner Bob Stump  
Ernest Johnson  
Janice Alward  
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